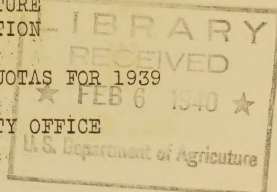


Issued January 24, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1939

PART IV. AUDIT BY STATE COMMITTEE OF COUNTY OFFICE
RECORDS AND REPORTS



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A. GENERAL INSTRUCTIONS

Sec. 401. Nature of the Audit. Part IV of these instructions relates to specific provisions of Cotton 307, "Regulations Pertaining to Cotton Marketing Quotas for the 1939-40 Marketing Year" (herein referred to as the "regulations"), and outlines the procedure to be followed by the office of the State committee (herein referred to as the "State office") in auditing and accounting for certain forms, records, reports, accounts, and files prescribed by Part II of these instructions for the office of the county committee (herein referred to as the "County office"). The audit of the records and reports of the county office as outlined in Sub-part B of this Part IV shall be conducted in the county office by a representative of the State office (herein referred to as the "auditor"). The audit of Forms 361, 362, 363, and 365 and the related records and accounts as outlined in Sub-part C of this Part IV shall be conducted in the State office. The instructions contained in this Part IV do not provide for a detailed audit in the county office by the auditor of the records in connection with farms for which a Form 317 was executed as outlined in section 225 of these instructions since all records in connection therewith are required to be examined and approved by the auditor prior to the time any refund or transfer of funds from the special deposit account is certified as provided in sections 241 through 244 of these instructions.

Sec. 402. Time of Audit. The examination of the records and reports of the county office which will be made in the State office as outlined in Sub-part C of this Part IV and which will be made by the auditor in the county office as outlined in Sub-part B of this Part IV shall be undertaken after Forms 361, 362, and 363 have first been submitted to the State office in accordance with sections 245 (a) and 246 (a) of these instructions. If any county is delinquent in the submission of Forms 361, 362, and 363, an auditor shall make a preliminary examination of the county office records and reports in order that such further action as may be necessary to secure the prompt submission of the reports may be taken by the State office.

B. AUDITOR'S EXAMINATION OF COUNTY OFFICE RECORDS AND REPORTS

Sec. 403. Publication and Notice of Farm Acreage Allotments, Normal Yields, and Marketing Quotas. (a) Audit of Forms 309.- A sufficient number of Forms 309 shall be examined by the auditor to enable him to determine whether they are in proper form and that the notices were properly mailed to the operators of the farms in the county for which cotton acreage allotments were established. A copy of the notice on Form 309 must be filed in the folder for the farm or the copies of all notices for farms in the county must be filed in binders in the numerical order of the farm serial numbers.

The copies on file must show the date on which they were mailed and signed and by whom they were signed on behalf of the county committee. Items 1, 2, and 3 of the notices must be completed properly.

(b) Audit of Forms 310.- Form 310 shall be examined by the auditor to determine whether it is in proper form and that the information required to be shown thereon has been entered in the prescribed manner. The original of Form 310 must be in a binder and kept permanently available for public inspection in the county office; one copy must be permanently available for public inspection in the office of the county agent; and one copy must have been posted for not less than thirty calendar days in a conspicuous place in the county or in each administrative area in the county, as the case may be.

(c) Verification of cotton acreage allotments and normal yields as shown on Forms 309 and 310.- The information for a representative number of farms on Form ACP-84 (Form NCR-309c in the North Central Region) shall be compared with related information on Forms 309, 310, 351, and 317 to determine that they are in agreement. All supplements to Form ACP-84 (Form NCR-309c in the North Central Region) shall be compared with Forms 309, 310, 351, and 317 to determine that the correct acreage allotment appears thereon and that a revised notice was mailed to the operator of the farm in each case where the cotton acreage allotment on which the original notice was based was subsequently changed.

Sec. 404. Measurement of Farms. The report of measurements on Form SR-312 (Forms ECR-318, WR-302A or WR-302B, NCR-317, in the East Central, Western, and North Central Regions, respectively) shall be compared by the auditor with the amount of the cotton acreage allotments as shown on Form 310 and Form ACP-84 (Form NCR-309c in the North Central Region) to determine that each overplanted farm in the county is listed on Form 318. The information for each overplanted farm in the county as shown on Form SR-312 (Forms ECR-318, WR-302A or WR-302B, NCR-317 in the East Central, Western, and North Central Regions, respectively) shall be compared with the information appearing on Form 318 to determine that Form 318 is prepared correctly. One copy of Form 318 which has been signed by a member of the county committee and which shows the date of his signature must be on file in the county office and the original thereof must have been forwarded to the State office. The information on the reports of measurements shall also be compared with the related information on Forms 351 and 317 to determine that they are in agreement.

Sec. 405. Issuing Marketing Cards and Certificates. Forms 310-A shall be examined as follows by the auditor to determine whether Forms 311, 311-A, 312, and 314 have been issued properly:

1. Form 310-A prepared as outlined in section 204 of these instructions shall be examined to determine that each farm to

which any of the exceptions to section 219 (a) of these instructions are applicable is indicated by the entry of the appropriate exception number in column J of Form 310-A and that the entry for the farm is lined out on Form 310-A. The words "Exception 1" must appear in column J for each overplanted farm listed on Form 318. The words "Exception 2" must appear in column J for each underplanted farm which was designated, as shown on Form 350, as a farm in connection with which carryover penalty cotton was to be marketed. The words "Exception 3" must appear in column J for each farm on which no cotton was planted in 1939. The record in the county office of producers who have an interest in more than one farm shall be examined to determine that the words "Exception 4", "Exception 5", "Exception 6", or "Exception 7", have been entered where applicable. The words "Exception 8" must appear in column J for each case where a red marketing card was issued to enforce the provisions of the Act.

2. All Forms 310-A shall be examined to determine that there is a signature in column I, or on an attached Form 310-B, for each producer whose name appears in column C unless the Form 311, 311-A, 312, or 314, prepared for issuance to the producer, was not delivered and is on file in the county office or its absence is explained satisfactorily.

3. Column B of all Forms 310-A shall be examined to determine that the marketing cards and certificates have been issued or used in consecutive numerical order and that the serial numbers shown therein, plus the serial numbers of any canceled, destroyed, stolen, mutilated, or undelivered marketing cards or certificates, agree with the serial numbers shown in columns 3 and 4 of Part I of the county office copy of Form 362.

4. The list of canceled, destroyed, stolen, mutilated, or undelivered marketing cards and certificates submitted to the State office with Form 362, as provided in section 246 (d) of these instructions, shall be examined against the records in the county office and the copies, if any, of such forms to determine whether it is correct.

5. In case any marketing card or certificate was lost, destroyed, stolen, or canceled, a copy of the notices of cancellation, pertinent correspondence, and a memorandum of any findings of the county committee in connection therewith must be filed in the folder for the farm and the correct notations must appear on Form 310-A.

6. The unused supply of Forms 311, 311-A, 312 and 313, 314 and 315, 319, and 319-A which are retained in the county office shall be examined to determine that the serial numbers thereof are the ones listed in columns 6 and 7 of Part I of the county office copy of Form 362 which are not listed on the letters of

transmittal on Form 352 which accompanied the unused forms which were returned to the State office.

Sec. 406. Reports of Cotton Ginned. (a) Review of Forms 316 and 326.- The auditor shall examine the reports from ginner on Forms 316 and 326 as follows:

1. The list of gins prepared pursuant to section 209 of these instructions shall be compared with the file of gin reports to determine that a file was established for each gin in the county and for gins in other counties from which extracts were received and that for each such gin there is a report, or a statement that no cotton was ginned, for each ginning period.

2. If a gin report has not been made by a ginner in the county for any one or more of the ginning periods, the auditor shall examine the county office records to determine whether the procedure outlined in section 218 of these instructions has been followed.

3. The totals of at least two reports from each gin from which reports were received shall be compared with the related information on Forms 353.

4. A representative number of the entries on each report from each gin shall be compared with the related entries on Form 351 or Forms 317 and 354 to enable the auditor to determine whether the information has been correctly transcribed.

(b) Review of Forms 351.- The auditor shall examine the reports of cotton ginned on Forms 351 as follows:

1. Forms 351 must be filed in a binder as a permanent record of the county office.

2. Lines 29, 30, 31, and 32 must be completed for each farm.

3. A representative number of the reports required by section 223 (c) of these instructions from the operator of each farm for which a Form 317 was not executed as provided in section 225 of these instructions shall be examined by the auditor to enable him to determine that the report has been made for all such farms or that the county office has an acceptable explanation of the reasons for the inability or failure to obtain the report.

4. The sum of the page totals on the last sheet of Form 351 for lines 21 through 27 shall be verified by adding the page totals for each line.

5. The sum of the page totals on the last sheet of Forms 351 for line 31 shall be verified by adding the page totals for

line 31. The total of line 31 for all farms listed on Forms 351 plus the total of column (33) for all farms listed on Forms 317 must agree with the total amount of cotton ginned for farms in the county as shown on Forms 353 and on the fifth line of column 9 of Part III of the county office copy of Form 362.

6. The entries on line 32 of a representative number of forms shall be verified by computing the 1939 average yield per acre.

7. A representative number of the reports required by section 233 (c) of these instructions shall be examined and verified against the related information on Forms 316 or 336 and Form 351.

8. The entries on Form 351 for a representative number of multiple farms shall be examined to determine that the production for any one farm is not inconsistent with the acreage planted thereon or with the yields for the other farms in which the producer has an interest.

Sec. 407. Auditor's Certificate. The auditor shall make a report and certification on Form 364 at the time he has completed the examination in each county of the items specified in sections 403 through 406 of these instructions. The report shall explain any phase of the work audited in the county office which was not done in accordance with the applicable regulations and instructions or which was not done at all. The report shall also state whether the irregularities found have been corrected or the action which in the auditor's opinion will be required to correct the irregularities. The report shall be attached to Form 364 and submitted to the supervisor at the same time.

C. AUDIT IN THE STATE OFFICE OF COUNTY OFFICE RECORDS AND REPORTS

Sec. 408. Audit of Reports on Farm Accounts. The reports on Forms 361 prepared as outlined in section 245 of these instructions shall be audited as follows:

1. The State and county code and farm serial number and the sheet number and total number of sheets required to list the information for the farm and the marketing year, that is, 1939-1940, must appear in the spaces provided.

2. The number of the exception set forth in section 219 (a) of these instructions under which the farm account was established, or the words "Not producing cotton", must appear in the space provided.

3. The farm acreage allotment and normal yield per acre of lint cotton for the farm as shown in the headings of columns (2) and (3), respectively, shall be verified.

4. The total on line 11 of column (2) must be equal to the sum of the entries appearing therein opposite the producers' names. If the farm is an overplanted farm, the entry on line 11 of column (2) must agree with the entry for the farm in column (F) of Form 318.

5. The entry on line 11 in column (3) must be equal to the result obtained by multiplying the acreage allotment by the normal yield per acre.

6. If more than one producer has an interest in the farm the yield factor appearing in the heading of column (3) after the words "Share in normal production of acreage allotment" must be equal to the result obtained by dividing the entry on line 11 of column (3) by the entry on line 11 of column (2). If there is only one producer on the farm, this yield factor need not appear and should not be verified.

7. If more than one producer has an interest in the farm, the entries in column (3) opposite the producers' names must be equal to the result obtained by multiplying the yield factor in the heading of column (3) by the entry in column (2) opposite each producer's name, unless there is attached a copy of the memorandum showing the reason for the change under item (4) of section 304 of the regulations. The sum of the entries in column (3) must be equal to the entry on line 11 thereof.

8. The entries on line 11 of columns (4), (5), (7), and (8) must be equal to the sum of the respective entries appearing therein. No entries must appear in columns (6) and (9).

9. If a farm serial number appears in parentheses in column (1) to the right of a producer's name or if entries appear in columns (5) or (8), the correctness of the entries appearing in columns (4), (5), (7), and (8) shall be verified by comparing them with the related information on Form 350.

10. If an entry appears in column (10) and no entry therein is circled, the figures appearing therein shall be verified as follows:

a. The entry on line 11 must be equal to the result obtained by multiplying the yield per acre in the heading of column (10) by the acreage allotment in the heading of column (2).

b. The factor in the heading of column (10) following the words "Intermediate reapportionment:" must be equal to the result obtained by dividing the entry on line 11 of column (10) by the entry on line 11 of column (3).

c. The entries in column (10) opposite the producers' names must be equal to the result obtained by multiplying the factor in the heading of column (10) by the entry in column (3) opposite each producer's name unless there is attached a copy of the memorandum showing the reason for the change under item (4) of section 304 of the regulations.

d. The sum of the entries in column (10) must be equal to the entry on line 11 thereof.

11. If an entry appears in column (10) and one or more of the entries appearing therein are circled, the figures appearing therein shall be verified as follows:

a. The entry on line 11 must be equal to the result obtained by multiplying the yield per acre in the heading of column (10) by the acreage allotment in the heading of column (2).

b. The factor in the heading of column (10) following the words "Intermediate reapportionment:" must be equal to the result obtained as follows:

(1) Subtract the sum of the circled entries in column (10) from the entry on line 11 thereof.

(2) Subtract the sum of the entries in column (3) for each producer for whom an entry in column (10) is circled from the entry on line 11 of column (3).

(3) Divide the result obtained under (1) above by the result obtained under (2) above.

c. The entries in column (10) for each producer which have not been circled must be equal to the result obtained by multiplying the factor in the heading of column (10) by the related entries for such producers in column (3), unless there is attached a copy of the memorandum showing the reason for the change under item (4) of section 304 of the regulations.

d. The sum of all entries in column (10) must be equal to the entry on line 11 thereof.

12. The entry on line 11 of column (11) must be equal to the sum of the entries appearing therein.

13. The actual yield per acre in the heading of column (11) must be equal to the result obtained by dividing the entry on line 11 of column (11) by the entry appearing on line 11 of column (2).

14. The entry on line 11 of column (12) must be equal to the result obtained by multiplying the acreage allotment in the

heading of column (2) by the greater of the following: The normal yield as shown in the heading of column (3) or the actual yield as shown in the heading of column (11).

15. The entry on line 11 of column (12) must be equal to the sum of the entries in column (12).

16. The accuracy of the entries appearing in column (12) shall be verified as follows:

a. The entry in the heading of column (12) must be equal to the result obtained as follows:

(1) Subtract from the entry on line 11 of column (12) the sum of the entries in column (12) for each producer for whom the entry in column (13) is circled.

(2) Subtract from the entry on line 11 of column (11) the sum of the entries in column (11) for each producer for whom the entry in column (13) is circled.

(3) Divide the result obtained under (1) above by the result obtained under (2) above.

b. The entries in column (12) for each producer which have not been circled must be equal to the result obtained by multiplying the factor in the heading of column (12) by the related entries for such producers in column (11), unless there is attached a copy of the memorandum showing the reason for the change under item (4) of section 304 of the regulations.

c. The circled entry in column (12) for any producer must not be greater than the sum of the entries opposite his name in columns (5) and (11).

d. If the farm acreage allotment multiplied by the greater of the actual average yield per acre or the normal yield per acre is in excess of the entry on line 11 of column (11) the following procedure shall be applicable:

(1) The percentage factor, if any, in the heading of column (12) shall be disregarded.

(2) If the sum of the entries on line 11 of columns (5), (8), and (11) is less than or equal to the farm acreage allotment multiplied by the greater of the actual or normal yield per acre, the entry in column (12) for each producer shall be equal to the sum of the entries opposite his name in columns (5), (8), and (11).

(3) If the sum of the entries on line 11 of columns (5), (8), and (11) is more than the farm acreage allotment multiplied by the greater of the actual or normal yield per acre, the entries

in column (12) opposite each producer's name shall be verified as follows:

(i) Subtract the entry on line 11 of column (11) from the result obtained by multiplying the farm acreage allotment by the greater of the actual or normal yield.

(ii) Divide the result obtained under (i) above by the sum of the entries on line 11 of columns (5) and (8).

(iii) Multiply the sum of the entries opposite each producer's name in columns (5) and (8) by the percentage factor obtained under (ii) above.

(iv) The entry in column (12) for each producer must be equal to the result obtained by adding to the entry opposite his name in column (11) the product obtained under (iii) above.

17. The sum of the entries in column (13) must be equal to the entry on line 11 thereof.

18. The entry for each producer in column (13) must be equal to the sum of the entries opposite his name in columns (4) and (12).

19. The names of the producers in column (14) must be in the order in which they appear in column (1).

20. The sum of the entries on line (a) in column (15) must be equal to the entry on line 11 (a) thereof.

21. The sum of the entries on line (b) in column (15) must be equal to the entry on line 11 (b) thereof.

22. The entry on line (a) of column (16) for each producer must equal the result obtained by subtracting the entry in column (13) opposite his name from the entry in column (15).

23. The entry on line (a) of column (17) for each producer for whom an entry appears in column (5) must be equal to the result obtained by subtracting the entry in column (13) opposite the producer's name from the entry in column (15), except that the entry in column (17) must not exceed the entry in column (5) for the producer.

24. The entry on line (a) of column (18) for each producer must be equal to the result obtained by subtracting from the entry in column (15) the sum of the entries opposite the producer's name in columns (13) and (17).

25. The entry on line (b) of column (18) for each producer must be equal to the product obtained by multiplying the entry on line (a) thereof by 3 cents.

26. The entry on line (b) of column (17) for each producer must be equal to the product obtained by multiplying the entry on line (a) thereof by 2 cents.

27. The entry on line (b) of column (16) for each producer must be equal to the sum of the entries on line (b) in columns (17) and (18).

28. The sum of the entries in columns (16), (17), and (18) must be equal to the entries on lines 11 (a) and 11 (b) thereof.

29. If the entry on line (b) of column (16) for any producer is in excess of the entry for him on line (b) of column (15), the entry on line (b) in column (19) opposite his name must be equal to the amount by which the entry on line (b) of column (16) exceeds the entry on line (b) of column (15).

30. The sum of the entries on line (b) in column (19) must be equal to the amount on line 11 (b) thereof.

31. If the entry on line (b) of column (16) for any producer is less than the entry for him on line (b) of column (15), the entry on line (b) in column (20) opposite his name must be equal to the amount by which the entry on line (b) of column (16) is less than the entry on line (b) of column (15).

32. The sum of the entries on line (b) in column (20) must be equal to the entry on line 11 (b) thereof.

33. If the entry on line 11 (b) of column (19) is in excess of the entry on line 11 (b) of column (20), the entry in the heading of column (19) must be equal to the amount by which the entry on line 11 (b) of column (19) exceeds the entry on line 11 (b) of column (20) and also must be equal to the amount by which the entry on line 11 (b) of column (16) exceeds the entry on line 11 (b) of column (15).

34. If the Form 361 is marked "Preliminary" the word "None" may properly appear in the heading of column (21) and no other entries will appear therein. If the Form 361 is not marked "Preliminary" and the amount on line 11 (b) of column (15) is equal to or less than the entry on line 11 (b) of column (16) the schedule number of Form 358 must appear in the heading of column (21) after the words "Voucher No.:" and the records of the State office shall be examined to determine that the amount on line 11 (b) of column (15) has been transferred from the special deposit account to the general fund of the Treasury on Standard

Forms No. 1046, Revised. If the Form 361 is not marked "Preliminary" and the amount on line 11 (b) of column (16) is less than the amount on line 11 (b) of column (15), the voucher number of Standard Form No. 1047 must appear in the heading of column (21) after the words "Voucher No.:" and the records of the remittance clerk shall be examined to determine that the amount shown opposite each producer's name in column (21) has been certified for refund to him and that the amount on line 11 (b) of column (16) has been transferred from the special deposit account to the general fund of the Treasury. The amount on line (b) in column (21) opposite any producer's name should not be greater (although it may be less) than the entry opposite his name on line (b) in column (20) and the entry on line 11 (b) of column (21) must not be greater than the amount by which the entry on line 11 (b) of column (15) exceeds the entry on line 11 (b) of column (16). If an excessive refund was made to any producer he shall be placed on the register of indebtedness and the county office notified to recover from the producer the excess amount refunded.

35. If an entry appears in the heading of column (19), each producer for whom an entry appears on line (b) of column (19) shall be placed on the register of indebtedness for the amount shown for him on line (b) of column (19), but not to exceed the amount shown in the heading of column (19). In addition, the register of indebtedness shall show for each producer the amount in the heading of column (19) which is owed for the farm and a cross-reference to the other producers on the farm for whom an entry appears on line (b) of column (19). Whenever a set-off is made with respect to any one or more producers, the amount owed for the farm shall be reduced accordingly and thereafter a set-off shall not be made against the payments accruing to such producers or other producers on the farm in an amount in excess of the smaller of the following: (1) the amount owed for the farm or (2) the amount owed by the producer as represented by the unpaid balance of the amount shown opposite his name on line (b) of column (19). As soon as the amount owed for the farm is recovered through set-off or otherwise, all producers on the farm shall be removed from the register of indebtedness insofar as marketing quota penalties for the farm are concerned.

36. If there are any entries in columns (22) through (27), the amounts entered must agree with the amounts shown in the attached copy of the memorandum prepared in connection with the examination or inspection of the unmarketed cotton.

37. The list of multiple farms in which producers are interested as shown at the bottom of Form 361 and, where necessary, on other records of the State office shall be examined to determine whether a farm account on Form 317 was established, as evidenced by Forms 361 from the county or other counties, for each multiple farm listed. If a farm account was not established, the relationship of the producer to the farm for which it was not established

shall be determined from the records in the State office (such as applications for payment) to determine whether it is probable that exceptions 5 or 7 rather than 4 and 6 of section 219 (a) of these instructions were applicable and, if it appears that farm accounts should have been established, the county committee may be requested to furnish a statement of all facts concerning the production and marketing of cotton from the farm or other information or the reason for not establishing the farm account.

Sec. 409. Audit of the County Summary of Cotton Marketing Quotas. (a) General instructions relating to Form 362.- The original of Form 362 prepared as outlined in section 246 of these instructions must be submitted to the State office with Forms 361 and 363 and the related forms and papers. The name of the county, the name of the State, the State and county code number, and the marketing year, that is, 1939-1940, must appear in the spaces provided on Form 362 and the report must be signed by each member of the county committee and the treasurer thereof.

(b) Audit of Part I of Form 362 and related forms.- The use and disposition of Forms 311, 311-A, 312, 314, 319, and 319-A shall be audited in the State office by an audit of Part I of Form 362, Forms 352, and related papers as follows:

1. The sum of the entries for each form in columns 2 and 5 of Part I of Form 362 must equal the entry in column 8 thereof.

2. The serial numbers for each form in columns 3 and 4 and 6 and 7 of Part I of Form 362 must agree with the serial numbers of the forms in columns 9 and 10 thereof.

3. The entries in columns 8, 9, and 10 of Part I of Form 362 for each form must agree with the copies of the letters of transmittal on Forms 352 from the State office to the county office which accompanied the forms consigned to the county office.

4. The shipment of serially-numbered forms returned from the county office to the State office shall be verified by comparing the serial numbers of the forms received with those on Form 352. Any discrepancies shall be noted on the original and copy of Form 352. The copy of Form 352 shall be signed by the receiving officer in the State office and returned to the county office together with a letter requesting an explanation of any discrepancies between the forms received and the letter of transmittal on Form 352. The original of the letter of transmittal on Form 352 shall also be signed by the receiving officer and filed with the original of Form 362.

5. In the case of Forms 319 and 319-A, the information in columns 2, 3, and 4 of Part I of Form 362 must agree with the records in the office of the remittance clerk concerning the use of Forms 319 and 319-A.

(c) Audit of Part II of Form 362.- The information appearing in Part II of Form 362 must agree with the final data previously forwarded to the State office from the county office on Forms 353 in connection with determining 1939 cotton production by counties.

(d) Audit of Part III of Forms 362.- Part III of Forms 362 shall be audited as follows:

1. The number of farm accounts shown in the heading of column 1 must agree with the number of farms for which reports on Form 361 are received.

2. The entry on the first line of column 2 must agree with the number of farms for which "Exception 2" appears on Form 361. The entry on the second line of column 2 must agree with the sum of the entries in the heading of column (2) of Form 361 for such farms. The entry on the third line of column 2 must agree with the sum of the entries on line 11 of column (2) of Forms 361 for such farms. The entry on the fourth line of column 2 must be preceded by a minus sign (-) and be equal to the difference between the entries on the second and third lines thereof. The entry on the fifth line of column 2 must agree with the sum of the entries on line 11 of column (11) of Form 361 for such farms.

3. The entry on the first line of column 3 must agree with the number of farms for which "Exception 4", "Exception 5", "Exception 6", and "Exception 7" appear on Form 361. The entry on the second line of column 3 must agree with the sum of the entries in the heading of column (2) of Form 361 for such farms. The entry on the third line of column 3 must agree with the sum of the entries on line 11 of column (2) of Form 361 for such farms. The entry on the fourth line of column 3 must be preceded by a minus sign (-) and be equal to the difference between the entries on the second and third lines thereof. The entry on the fifth line of column 3 must agree with the sum of the entries on line 11 of column (11) of Forms 361 for such farms.

4. The entry on the first line of column 4 must agree with the number of farms for which "Exception 8" appears on Form 361. The entry on the second line of column 4 must agree with the sum of the entries in the heading of column (2) of Forms 361 for such farms. The entry on the third line of column 4 must agree with the sum of the entries on line 11 of column (2) of Forms 361 for such farms. The entry on the fourth line of column 4 must be preceded by a minus sign (-) and be equal to the difference between the entries on the second and third lines thereof. The entry on the fifth line of column 4 must agree with the sum of the entries on line 11 of column (11) of Forms 361 for such farms.

5. The entry on the first line of column 6 must agree with the number of farms for which "Exception 1" appears on Form 361 and for which no entry appears in columns (5) and (8) of Form 361. The entry on the second line of column 6 must agree with the sum of the entries in the heading of column (2) of Form 361 for such farms. The entry on the third line of column 6 must agree with the sum of the entries on line 11 of column (2) of Form 361 for such farms. The entry on the fourth line of column 6 must be preceded by a plus sign (+) and be equal to the difference between the entries on the second and third lines thereof. The entry on the fifth line of column 6 must agree with the sum of the entries on line 11 of column (11) of Form 361 for such farms.

6. The entry on the first line of column 7 must agree with the number of farms for which "Exception 1" appears on Form 361 and for which an entry appears in either column (5) or (8), or both, of Form 361. The entry on the second line of column 7 must agree with the sum of the entries in the heading of column (2) of Form 361 for such farms. The entry on the third line of column 7 must agree with the sum of the entries on line 11 of column (2) of Form 361 for such farms. The entry on the fourth line of column 7 must be preceded by a plus sign (+) and be equal to the difference between the entries on the second and third lines thereof. The entry on the fifth line of column 7 must agree with the sum of the entries on line 11 of column (11) of Form 361 for such farms.

7. The sum of the entries on the first, second, third, and fifth lines, respectively, of columns 2 through 8 must be equal to the amount for the line in column 9 and the algebraic sum of the entries appearing on the fourth line of columns 2 through 8 must be equal to the amount for the line in column 9.

8. The entry on the first line in column 9 must agree with the number of farms in the county for which cotton acreage allotments were established, exclusive of "new grower" farms on which cotton was not planted in 1939.

9. The entry on the second line in column 9 must agree with the sum of the cotton acreage allotments established in the county, exclusive of "new grower" farms in the county on which cotton was not planted in 1939.

10. The entry on the fifth line in column 9 must agree with the entry in column 9 of Part II of Form 362.

(e) General instructions relating to Forms 363.- The original of Form 363 as first prepared pursuant to section 246 (a) of these instructions must accompany Form 362 and the first Forms 361 prepared as outlined in section 245 (b) of these instructions. If any

of the first Forms 361 are marked "Preliminary", the accompanying Form 363 shall likewise be marked "Preliminary" and thereafter an additional report on Form 363 must be received from the county at the end of each month to reflect the status of the work in the county as of the last business day in the month (hereinafter referred to as monthly reports on Forms 363) until final reports on Forms 361 prepared as outlined in section 245 (c) of these instructions are submitted with the report on Form 363 marked "Final" as provided in section 246 (h) of these instructions. The monthly reports on Form 363 must be designated by the name of the month covered by the report. The name of the county, the name of the State, the State and county code number, and the marketing year, that is, 1939-1940, must appear in the spaces provided on each Form 363 submitted and the report must be signed by each member of the county committee and the treasurer thereof.

(f) Audit of Part I of Form 363.— The record of the receipts and disbursements from the special deposit account as shown in Part I of Form 363 shall be audited against the records of the remittance clerk and Forms 361 as follows:

1. The amount in column 1 must agree with the amount of the funds transferred from the 1938-1939 Cotton Special Deposit Trust Account to be held in escrow for the 1939-1940 marketing year as evidenced by Forms 359 in which the legend "1938-Escrow" appears in column 1.

2. The amount in column 2 must agree with the amount of the funds received to be held in escrow for the 1939-1940 marketing year which were not transferred from the 1938-1939 Cotton Special Deposit Trust Account.

3. The amount in column 3 must be equal to the sum of the entries in columns 1 and 2 and also equal to the sum of the entries made in column (4) of Form 356 for the county.

4. The amount in column 4 must be equal to the sum of the entries in column 9 of Form 356 for the county.

5. The amount in column 5 must be equal to the amount by which column 3 exceeds column 4.

6. The amount in column 6 must be equal to the amount of the funds transferred from the 1938-1939 Cotton Special Deposit Trust Account which were not to be held in escrow as evidenced by Forms 359 in which the legend "1938-Transfer" appears in column 1.

7. The amount in column 7 must be equal to the sum of the following: (a) The amount of the collections, other than funds to be held in escrow, which were received during the 1939-1940 marketing year, plus (b) the amounts held in escrow which were transferred to collections as shown in column (9) of Form 356 for the county.

8. The amount in column 8 must be equal to the sum of the entries in columns 6 and 7 and also equal to the sum of the entries in column (14) of Form 356 for the county. The amount in column 8 plus the amount in column 5 must be equal to the sum of the entries on line 11 (b) of column (15) of Forms 361. The amount in column 8 plus the amount in column 5 of the Forms 363 submitted for each month subsequent to the first report and prior to the final report on Form 363 shall balance with the amounts shown on Standard Forms No. 1044, Revised, for the county plus remittances received and not scheduled for the county for the month and also with the comparable information on Form 356 for the county. If Form 363 is the final report from the county, as provided in section 246 (a) of these instructions, the amount in column 8 plus the amount in column 5 must equal the sum of the entries on line 11 (b) of column (15) of all Forms 361 for the county plus the amounts shown on Forms 365. Comment: Forms 361 used in balancing with the information shown on the first Form 363 will be the first reports on Forms 361 submitted pursuant to section 245 (b) of these instructions. Forms 361 used in balancing with the information shown on the final Form 363 will be the final reports on Forms 361 submitted pursuant to section 245 (c) of these instructions and the reports on Forms 361 (including related Forms 365) submitted pursuant to section 245 (b) of these instructions which have not been superseded by final reports pursuant to section 245 (c).

9. The amount in column 9 must be equal to the amounts certified for refund on Standard Forms No. 1047 and, in the case of the first and final Form 363, also equal to the sum of the entries on lines 11 (b) of column (21) of Forms 361.

10. The amount in column 10 must be equal to the amounts for the county scheduled on Standard Forms No. 1046, Revised, for transfer from the special deposit account to the general fund of the Treasury plus any unscheduled amounts shown on Forms 358 and on Standard Forms No. 1047 after the words "Applied as explained in 'Remarks' below". The entry in column 10 must also be equal to the sum of the smaller of the entries on line 11 (b) of columns (15) or (16) of each of the first Forms 361 not marked "Preliminary".

11. The amount in column 11 must be equal to the sum of the entries in columns 9 and 10 and also equal to the sum of the amounts in column (21) of Form 356 for the county.

12. The amount in column 12 must be equal to the amount by which the amount in column 8 exceeds the amount in column 11.

13. The amount in column 13 must be equal to the sum of the entries in columns 5 and 12.

14. The amount in column 14 must be equal to the amounts set off for unpaid penalties as shown on accomplished copies of Standard Forms No. 1096 for the county.

15. The amount in column 15 must be equal to the sum of the entries in columns 10 and 14.

(g) Audit of Part II of Form 363.- The summary of the amount of cotton marketed subject to penalty and of the amount of the penalties incurred and unpaid as shown in Part II of Form 363 shall be audited as follows:

1. The amount in column 1 must be equal to the sum of the entries on line 11 (a) of column (16) of Forms 361.

2. The amount in column 2 must be equal to the sum of the entries on line 11 (a) of column (17) of Forms 361.

3. The amount in column 3 must be equal to the sum of the entries on line 11 (a) of column (18) of Forms 361.

4. The amount in column 4 must be equal to the sum of the amounts on line 11 (b) of column (16) of Forms 361.

5. The amount in column 5 must be equal to the sum of the entries on line 11 (b) of column (17) of Forms 361.

6. The amount in column 6 must be equal to the sum of the entries on line 11 (b) of column (18) of Forms 361.

7. The amount in column 7 must be equal to the sum of the entries in the heading of column (19) of Forms 361.

Sec. 410. Notice to the State Office Where Unpaid Penalties Shown on Forms 361 are Subsequently Remitted. The original and one copy of Form 365 will be submitted to the State office whenever there is remitted to the treasurer of the county committee the amount of an unpaid penalty which was shown in the heading of column (19) of a Form 361 submitted pursuant to section 245 (b) of these instructions and not marked "Preliminary" or submitted pursuant to section 245 (c) of these instructions and marked "Final". The original of Form 365 shall be attached to the Form 361 to which it relates. The copy of Form 365 shall be initialed by the remittance clerk and forwarded to the person in the State office in charge of the register of indebtedness in order that the proper adjustments may be made in connection therewith. When the amount of the collection is subsequently certified for transfer from the special deposit account to the general fund of the Treasury or to be refunded, or both, the schedule number of Form 358 or the serial number of Standard Form No. 1047 shall be entered after the words "Voucher No.:" and, in the spaces provided thereunder, the date of the schedule or voucher, the amount of the collection certified to be transferred to the general fund of the Treasury, and the amount, if any, of the collection certified to be refunded shall be entered. The Form 365 as received from the county office must be in the following form:

1. The State and county code number and the farm serial number must appear in the spaces provided.

2. The transmittal number of the Form 359 on which the collection was scheduled to the State office must appear in the space provided and shall be verified by comparing Form 365 with the Form 359.

3. The legend "1939-1940" must appear after the words "Marketing Year".

4. The name of each producer for whom an entry appears on line (b) of column (19) of the related Form 361 must appear in column A.

5. The entry in the heading of column B must be equal to the amount in the heading of column (19) of the related Form 361, or, in the event previous Forms 365 have been received for the farm, the entry in the heading of column B must be equal to the entry in the heading of column C of Form 365 last received for the farm.

6. The sum of the entries in column B must be equal to the amount of the collection shown therein opposite the word "Total" and this amount shall be verified by comparing it with the information on the related Forms 359 and Standard Form No. 1044, Revised.

7. The entry in the heading of column C must be equal to the amount by which the unpaid penalty shown in the heading of column B exceeds the amount of the collection shown in column B opposite the word "Total".

8. The entry in column C opposite each producer's name must be equal to the amount by which the entry opposite his name on line (b) of column (19) of Form 361, or the amount opposite his name in column C of the Form 365 last received for the farm, exceeds the entry opposite his name in column B of the current Form 365. The sum of the entries appearing in column C must be equal to the amount shown therein opposite the word "Total". The total of column C will not necessarily equal the amount in the heading of column C but the total of column C should not be less than the total in the heading of column C.

9. The signature of the treasurer of the county committee, the date of his signature, and his title must appear in the spaces provided.